Government of Canada Securities

A Publication of the Department of Finance

October 2007

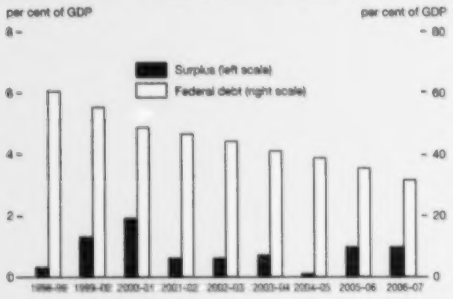
Canadian Economy

Selected Canadian economic statistics

	2006				2007	
	Q1	Q2	Q3	Q4	Q1	Q2
Annualized growth rates			(per cent)			
Real gross domestic product	3.8	2.0	1.3	1.5	3.9	3.4
Final domestic demand	5.6	3.7	4.0	3.7	2.8	4.3
Employment growth	1.6	2.9	0.6	2.4	3.9	1.3
Other						
Unemployment rate	6.4	6.2	6.4	6.2	6.1	6.0
Current account balance (percentage of GDP)	2.9	1.4	1.6	1.3	1.6	2.2

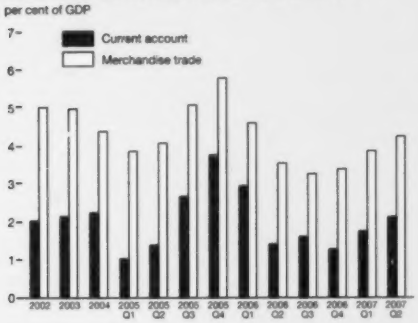
Source: Statistics Canada.

Government of Canada federal debt (accumulated deficit) and budgetary balance



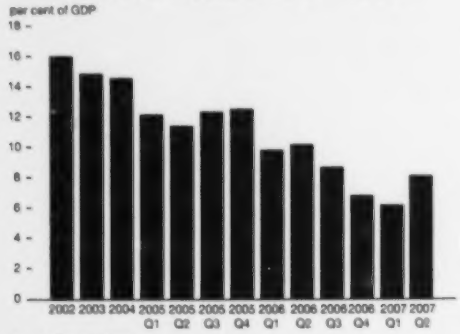
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

October

September CPI
(October 19)

August GDP
(October 31)

November

October Labour Force Survey
(November 2)

October CPI
(November 20)

September GDP
(November 30)

National and Economic Accounts
July-September 2007
(November 30)

December

November Labour Force Survey
(December 7)

November CPI
(December 18)

October GDP
(December 21)

Canada

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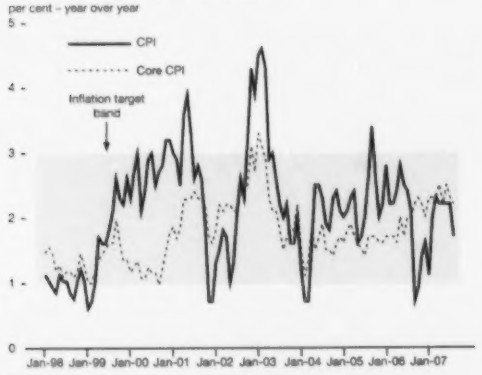
Canadian Economy

Consumer Price Index

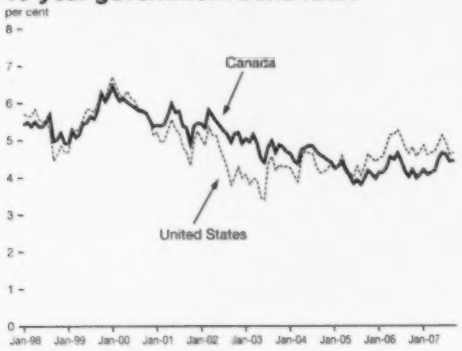


Source: Statistics Canada.

3-month treasury bill rates

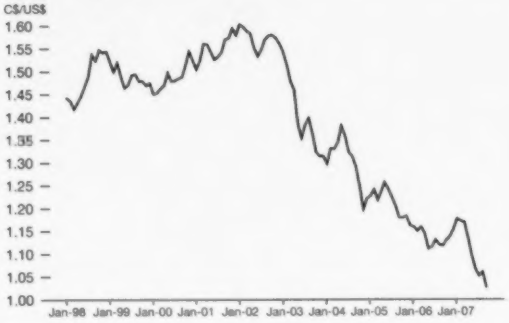
Sources: Bank of Canada and Federal Reserve.

10-year government bond rates



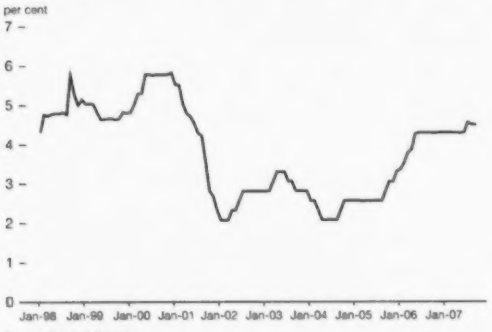
Sources: Bank of Canada and Federal Reserve.

Exchange rate



Source: Bank of Canada.

Overnight money market rate



Source: Bank of Canada.

Canadian monetary aggregates

Source: Bank of Canada.

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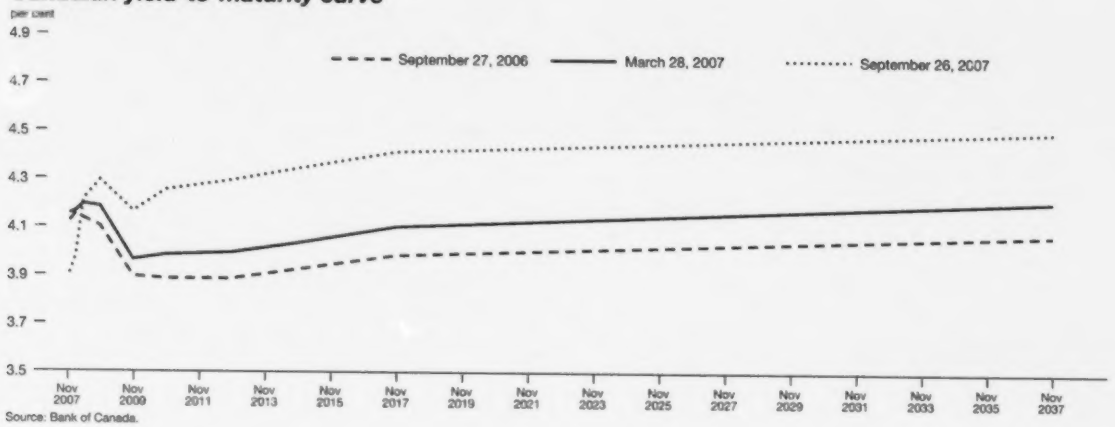
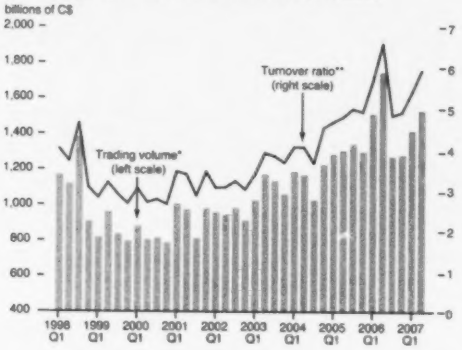
Secondary Market

Canadian yield-to-maturity curve



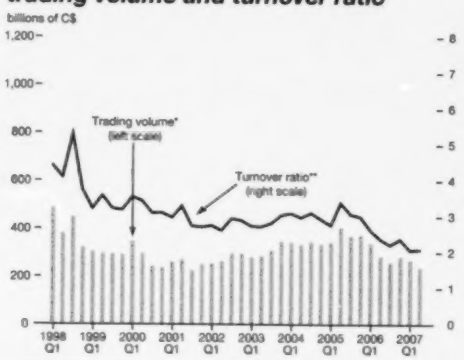
Source: Bank of Canada.

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada treasury bills trading volume and turnover ratio



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Source: Bank of Canada.

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- Bank of Montreal (treasury bills only)
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- HSBC Securities (Canada) Inc. (marketable bonds only)
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- National Bank Financial Inc.
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- Scotia Capital Inc.
- The Toronto-Dominion Bank

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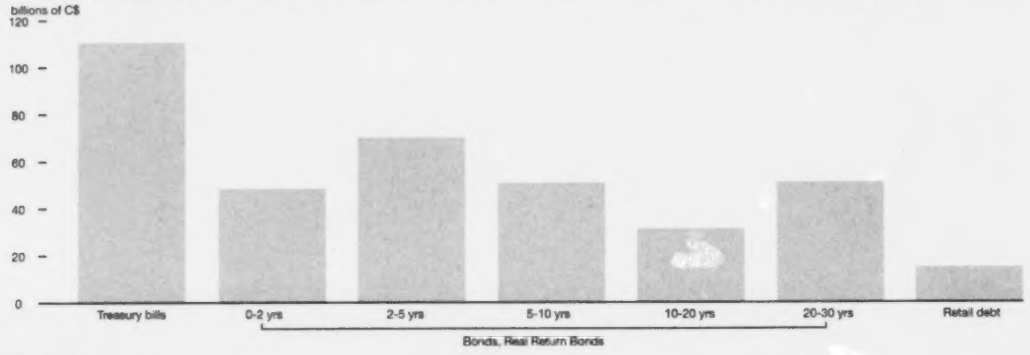
Primary Market

Outstanding Government of Canada treasury bills, bonds (by term to maturity) and retail debt



Source: Bank of Canada.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
July 18, 2007	30	June 1, 2037	5	1,400	108.01	4.51	2.55	0.3
August 1, 2007	10	June 1, 2017	4	2,600	95.96	4.51	2.36	0.5
August 15, 2007	5	June 1, 2012	3.75	2,000	97.30	4.38	2.43	0.4
September 19, 2007	2	December 1, 2009	4.25	3,600	100.10	4.21	2.46	0.4

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2007)	Further details of issue (2007)	Dated and delivered (2007)	Amount maturing*
				(millions of dollars)
10-year	October 24	October 18	October 29	0
2-year	November 28	November 22	November 30	0
Real Return Bond	December 5	November 29	December 10	0

In addition, this quarter five operations are planned under the Government of Canada bond repurchase program. Two repurchase operations are being held in conjunction with each nominal bond auction, and three switch repurchase operations are taking place on October 3 in the 30-year sector, October 10 in the 2-year sector and November 7 in the 5-year sector. Further details are released on the Thursday prior to these operations. The target amount for the repurchase this quarter is $1.7 billion.

* Maturity of $418 million on October 1, 2007, and maturity of $6.4 billion on December 1, 2007.

Source: Bank of Canada.

Government of Canada Securities

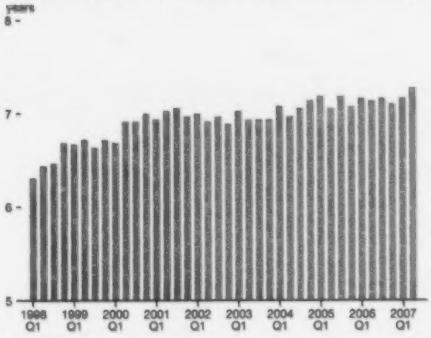
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Sept. 28, 2007)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	December 1, 2010	4.25	7,100	4.08
5-year	June 1, 2012	3.75	6,600	4.20
10-year	June 1, 2017	4.00	10,300	4.34
30-year	June 1, 2037	5.00	11,549	4.44
Real return				
30-year	December 1, 2036	3	5,850	2.08

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

October-December 2007	January-March 2008	April-June 2008	July-September 2008
	(millions of dollars)		
6,794	578	10,296	10,130

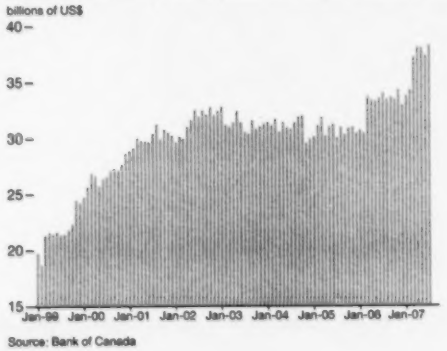
Outstanding Government of Canada foreign currency debt

	(C$ millions)*
Canada bills	2,034
Canada notes	437
Outstanding under EMTN program	1,508
6⅛% NZ$ bonds maturing October 3, 2007	380
4¼% EUR bonds maturing July 7, 2008**	2,934
5¼% US$ bonds maturing November 5, 2008	2,514

* At par value, adjusted for exchange rates as of September 28, 2007.
** Original issue in Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

Canada's level of liquid foreign reserves



Source: Bank of Canada

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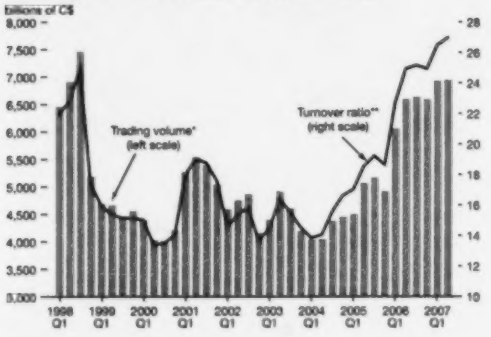
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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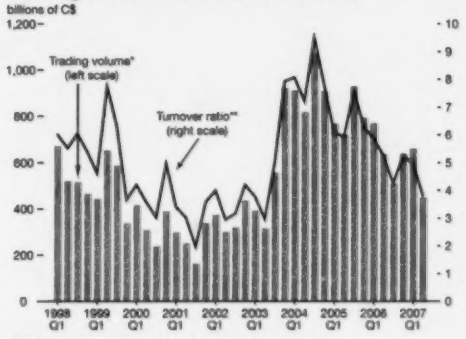
Government of Canada treasury bill repos trading volume and turnover ratio



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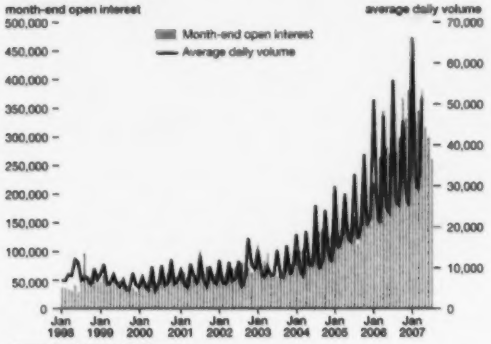
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montréal Exchange.

3-month bankers acceptance futures

Source: The Montréal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of October 1, 2007.
For further information, contact Ian Blachford at 613-992-6386.
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